

September 2001

This report uses results from the **WorkFirst Study** (WFS). The sample of 3000 families was drawn from the statewide list of adults receiving welfare assistance in March 1999. Respondents completed a telephone survey that gathered information on work, education, family, and economic well-being.

This report estimates the impact of job preparation activities in WorkFirst on employment and earnings in early 2000. For this report, only adult women in one-parent families are included in the analysis.

The impact of the Job Search Workshop, Work Experience, Job Skills Training, Pre-Employment Training, and Community Jobs were estimated using multivariate analysis.

Employment information came from state Unemployment Insurance files. State administrative files provided information on client activities. Personal and family characteristics were gathered from the WFS telephone survey.

FINDINGS

- About a third of respondents were referred to Job Search, half were referred to the Job Search Workshop, 17 percent were referred to Work Experience and less than 10 percent were referred to Community Jobs, Pre-Employment Training, and Job Skills Training.
- About half of those referred completed each of the activities, with the exception of Job Search and the Job Search Workshop which had much higher completion rates.
- Each of the activities had positive effects on employment or earnings or both.
- The Job Search Workshop, Community Jobs, Work Experience, and Job Skills Training increased the chances of employment. Job Search by itself may also have increased employment though the evidence is weaker.
- Average earnings increased for people who completed Community Jobs, Pre-Employment Training, and perhaps Job Skills Training

WorkFirst Activities

This report estimates the effects of selected WorkFirst job preparation activities on employment and earnings in later quarters.

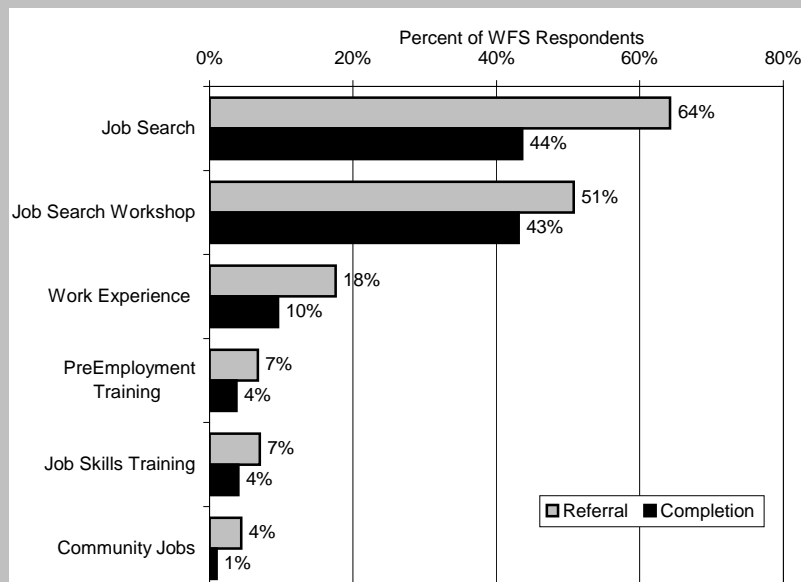
TABLE 1: DESCRIPTION OF WORKFIRST ACTIVITIES

Activity	Activity Description	Time Period
Job Search	Monitored Job Search activities	up to 12 weeks
Job Search Workshop	Workshop to prepare clients to search for job. Combined with longer term Job Search for most clients.	1 week Workshop
Work Experience	Short term work placement. Supervised. No stipend.	12 weeks
Pre-Employment Training	Short term training for specific job.	12 weeks
Job Skills Training	Short term skills training for specific occupation.	6 weeks
Community Jobs	Structured paid work program with support services.	9 months

We chose six activities, Job Search, Job Search workshop, Work Experience, Job Skills Training, Pre-Employment Training, and Community Jobs because they focus on job readiness and were used by enough WFS respondents to adequately assess their impact. The activities ranged from a 1-week workshop (the Job Search Workshop) to a 9-month intensive work program (Community Jobs).

Figure 1 shows the percentage of WFS respondents referred to and completing each of the activities prior to January 2000.

FIGURE 1: WORKFIRST ACTIVITIES AND COMPLETIONS PRIOR TO JANUARY 2000



About a third of respondents were referred to Job Search, half were referred to the Job Search Workshop, 17 percent were referred to Work Experience and less than 10 percent were referred to Community Jobs, Pre-Employment Training, and Job Skills Training.

About half of those referred completed each of the activities, with the exception of Job Search and the Job Search Workshop which had much higher completion rates.

Effects of WorkFirst Activities

We used multivariate analysis to account for the selection of clients into activities based on their job-readiness, the effects of multiple activities, and changes in the effects of activities over time.¹ The analysis controls for differences in past employment and earnings, demographic and personal characteristics, length of time on welfare, participation in other activities, and geographic location.

Table 2 shows the estimated impact of activities completed in the last 3 quarters of 1999 (“recent” activities) as well as the impact of all WorkFirst activities completed prior to January 2000. The impacts show the estimated change in employment and earnings in the first quarter of 2000 attributable to completing the activity. Impacts in bold are statistically discernable from no change ($p < .10$).

TABLE 2: EFFECTS OF WORKFIRST ACTIVITIES ON EMPLOYMENT AND EARNINGS IN 1ST QUARTER OF 2000

WorkFirst Activity	Recent Activities Only				Recent and Older Activities			
	Employment		Wages		Employment		Wages	
	% pts.	(signif.)	Coeff.	(signif.)	% pts.	(signif.)	Coeff.	(signif.)
Job Search Workshop	9%	0.07	\$ 79	0.65	13%	0.01	\$ 324	0.03
Job Search Only	6%	0.14	\$ 196	0.11	15%	0.00	\$ 187	0.13
Work Experience	13%	0.04	\$ 45	0.83	13%	0.02	\$ 228	0.20
Job Skills Training	30%	0.00	\$ 456	0.20	27%	0.00	\$ 522	0.04
PreEmployment Training	9%	0.37	\$ 864	0.01	7%	0.43	\$ 831	0.00
Community Jobs	33%	0.01	\$ 792	0.05	30%	0.00	\$ 704	0.08

Notes: Recent activities include those completed from April 1999 to December 1999. Table shows estimated change in outcome due to activity after accounting for previous employment, demographics, personal characteristics, and previous activities.

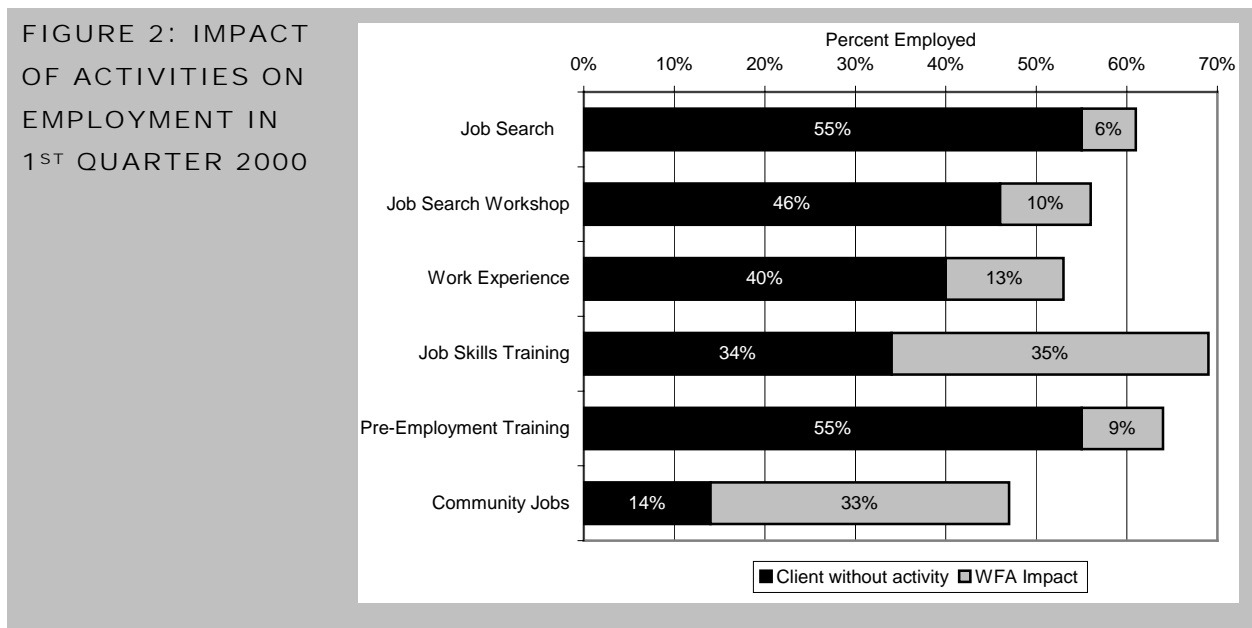
The Job Search Workshop, Community Jobs, Work Experience, and Job Skills Training increased the chances of employment. Job Search alone may also have increased employment, though evidence of that effect is weaker. There is some evidence that the effects of the Job Search Workshop, Job Search alone, and Work Experience may be underestimated.

¹ Activities completed March 1999 through December 1999 (“recent” activities) were used to limit the changes in the content of activity and study the period when most of the WFS respondents were on TANF. We tested our ability to account for prior client characteristics by assessing the relationship of these recent activities on employment in an earlier quarter (1999 1st quarter).

Average earnings increased for people who completed Community Jobs, Pre-Employment Training, and perhaps Job Skills Training and the Job Search Workshop.

Effects of Activities on Employment

Figure 2 shows the estimated employment rate and impact of each activity. The characteristics of clients who completed each activity were used to estimate employment rates with and without completion of the activity.



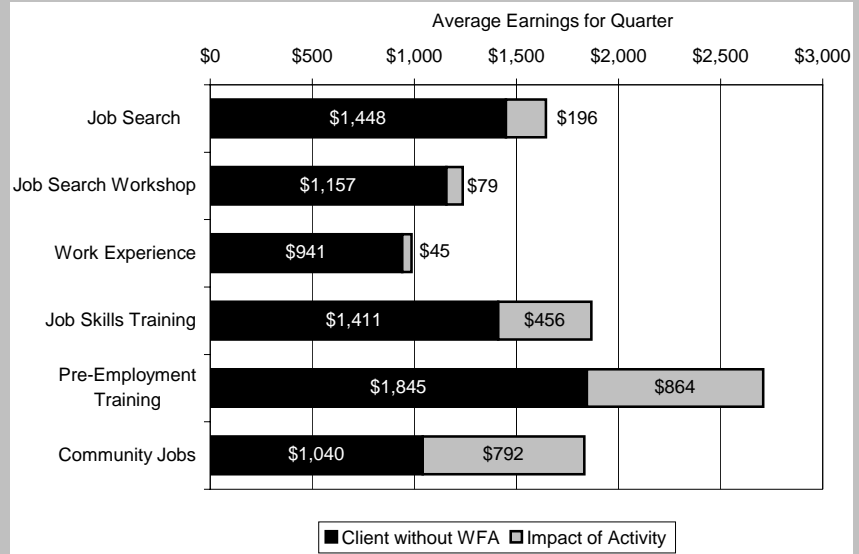
The Job Search Workshop, Job Search alone, and Pre-Employment Training drew clients who were more job-ready. About half of those clients would have been employed in absence of those activities and the activities had small, if any, effects on the chances of employment.

Community Jobs, Work Experience, and Job Skills Training, all drew clients who were less job-ready. Without the activity, the employment rate for clients would have been about a third for clients for Jobs Skills Training and Work Experience and only 14 percent for Community Jobs clients. Job Skills Training and Community Jobs both increased employment rates by about 30 percentage points; Work Experience increased employment by less (13 percentage points).

Effects of Activities on Quarterly Earnings

Figure 3 shows similar comparisons for Earnings. Clients in Pre-Employment Training had the highest expected wages (\$1845 for the quarter) and Community Jobs clients had the lowest (\$1040).

FIGURE 3: IMPACT OF ACTIVITIES ON EARNINGS IN 1ST QUARTER OF 2000



Completing Community Jobs added an estimated \$792 to quarterly earnings, Pre-Employment Training added \$864. Job Skills Training added \$456, though its effect was only statistically significant when older activities were included. The Job Search Workshop, Job Search only, and Work Experience did not increase earnings significantly.